

Kambi Group plc

Q3 Report 2019

Financial summary

- Revenue amounted to €23.0 (20.5) million for the third quarter of 2019, and €65.6 (54.5) million for the period January to September 2019
- Operating profit (EBIT) for the third quarter of 2019 was €3.4 (4.2) million, with a margin of 14.9% (20.3%), and €8.6 (8.5) million for the period January to September 2019, with a margin of 13.0% (15.7%)
- Profit after Tax amounted to €2.3 (3.3) million for the third quarter of 2019, and €5.8 (6.5) million for the period January to September 2019
- Earnings per share for the third quarter of 2019 were €0.075 (0.109), and €0.193 (0.216) for the period January to September 2019
- Cash flow from operating and investing activities (excluding working capital) amounted to €2.6 (3.3) million for the third quarter of 2019, and €4.2 (5.8) million for the period January to September 2019

Third quarter financial breakdown

€m	Q3 2019	Q3 2018	Change %	Jan - Sep 2019	Jan - Sep 2018	Change %	Jan - Dec 2018
Revenue	23.0	20.5	+12%	65.6	54.5	+20%	76.2
Operating result	3.4	4.2	-18%	8.6	8.5	+0%	12.7
Operating margin	14.9%	20.3%		13.0%	15.7%		16.7%
Result after tax	2.3	3.3	-31%	5.8	6.5	-10%	9.8
Cash flow ¹	2.6	3.3		4.2	5.8		8.6
Net cash	34.2	30.8		34.2	30.8		31.1
Earnings per share	€0.075	€0.109	-31%	€0.193	€0.216	-11%	€0.326

¹ Cash flow from operating and investing activities excluding movements in working capital

Key highlights

- Solid financial performance with 12% revenue and 23% operator turnover growth despite quiet sporting calendar
- Strong operating result despite 2018 comparatives being significantly boosted by the football World Cup
- Signed Penn National Gaming, the largest regional gaming operator in North America, and JACK Entertainment, a leading gaming entertainment brand in Ohio
- Completed multiple customer launches globally across retail and online, including seven casinos in the US
- Took the first legal bet in New York and launched on the first day of regulation in Indiana and Iowa

CEO comment



“Multiple customer launches, new product releases and major commercial agreements all contributed to a successful period for Kambi, as we continued to display a high-level of expertise throughout the organisation.

The third quarter is traditionally a challenging one for the sports betting industry, particularly in a year with no major summer football tournament. This, along with our ongoing investments to capitalise on the huge US opportunity, was the reason for the year-on-year decrease in operating result. However, despite the tough World Cup comparatives and a relatively quiet July sporting calendar, I’m pleased to report Kambi Q3 revenue grew 12% year-on-year while operator turnover increased 23%.

I was also pleased to see momentum increase throughout the quarter, culminating in September’s operator turnover, which was up significantly year-on-year and surpassed the previous highest monthly total. This encouraging performance was due to the combination of multiple customer launches, enhancements to the Kambi sportsbook, and a busier sporting calendar, which gives me confidence for the rest of the year.

We signed two new customers during the quarter, the first being Penn National Gaming, the largest regional gaming operator in North America. With market access to as many as 19 states, Penn National was always a key US target for us. In addition to the land-based establishments Penn National operates, the company has a sports betting philosophy that complements our own, which bodes well for a long and successful relationship.

We also signed a deal with JACK Entertainment, which covers two retail establishments and an online offering in Ohio. A digital-savvy operator with a strong, local brand, JACK Entertainment is an operator we are excited about working with. Meanwhile, we also secured contract extensions with NagaWorld and DraftKings, the latter of which has already seen us enter a number of additional states as we build upon the partnership’s early success in New Jersey.

Overall, there were multiple US customer launches in Q3, with online or on-property launches taking place across the states of New York, Iowa, Indiana, Pennsylvania, New Jersey and West Virginia. Among those launches was Unibet, which made its US sports betting debut in New Jersey and then launched retail in Pennsylvania. Once again, this demonstrates our market leading US proposition based on our regulatory expertise and operational capability.

In general, Kambi remains well positioned for the future and I look forward to building on our successes in Q4 and beyond, a period which has begun well with an industry award win at the recent G2E exhibition in Las Vegas.”

Q3 Highlights

Commercial agreements

Kambi signed two new customers in Q3. In August, Kambi completed a long-term deal with Penn National Gaming, the largest regional gaming operator in North America. Penn National operates gaming establishments across 19 states, covering approximately half of the US population. The agreement, which includes online and on-property, is already underway with the partnership active in casinos in Iowa, Indiana and Pennsylvania.

Penn National selected Kambi due to its high-performance sportsbook and advanced empowerment capabilities. The operator will leverage these capabilities to build a differentiated online and mobile product, which is scheduled to launch in 2020. With a talented management team, high-quality product, and unique market strategy, we believe Penn National has the opportunity to win sizeable sports betting market share in each state it operates.

In September, Kambi signed an agreement with JACK Entertainment, which owns and operates casino gaming and racing facilities in Ohio. Kambi's on-property sportsbook will be installed at JACK Cleveland Casino, a casino in downtown Cleveland, and JACK Thistledown Racino, a thoroughbred racing and gaming facility in North Randall, Ohio, should enabling legislation and corresponding regulatory approvals come to pass, with an online launch to follow thereafter.

Ohio is America's seventh most populous state and home to many professional sports teams. Meanwhile, JACK Entertainment is one of the Ohio's most recognisable gaming entertainment brands and will offer the Kambi sportsbook to cement its local leadership position.

Q3 also saw Kambi sign contract extensions with two of its partners – NagaWorld and DraftKings. Kambi will continue to provide its retail product to NagaWorld's two flagship properties in Cambodia as part of a new multi-year deal. NagaWorld has also increased the selection of live events it receives, with the hotel and entertainment group looking to build upon the year-on-year sportsbook growth it has enjoyed since launching with Kambi in 2014.

Meanwhile, the DraftKings contract extension has significantly increased the geographical coverage of the original contract, under which the pair processed the first legal online sports bet post-PASPA in New Jersey. Kambi is now contracted to operate with DraftKings in Colorado, Maine, Tennessee, New York, Pennsylvania, Indiana, Iowa, and West Virginia, with Kambi having already assisted DraftKing's launch into the latter four states.

Customer launches

Kambi launched customers across six US states in Q3, highlighting the strength of Kambi's scalable technology and operational excellence in managing simultaneous roll-outs. Kambi's ability to deliver at pace was once again underlined by a number of market firsts, with Kambi customers taking bets on the first day of regulation in New York, Iowa and Indiana. Coupled with the fact Kambi previously took the first legal online bet in the US post-PASPA in New Jersey, along with being the first to process a legal bet in Pennsylvania, Kambi has established itself as the trusted partner for both operators and regulators alike.

Trading update

Kambi Q3 revenues were €23.0m, up 12% year-on-year, buoyed by a 23% rise in operator turnover and an operator trading margin of 8.5%. This growth came despite a slower sporting calendar in July and much of August, where the corresponding period last year benefitted from the culmination of the football World Cup and the positive bounce effect a tournament of such magnitude delivers.

September was the prominent driver of operator turnover growth in Q3, with a full month of European football leagues, one round of Champions League fixtures and the return of the American football season the key catalysts. This busier sporting schedule, coupled with the ongoing US expansion, led to September recording the largest operator turnover figure in Kambi's history.

There was a strong operator trading margin during Q3, attributable to operator-friendly results across the NFL and the English and Spanish football leagues.

Product launch

The growth of in-event combinations and bet builder-style betting products is moving the industry towards a more 'odds on demand' future. One where players expect, and demand, the freedom to create their own accumulator bets without limits, and be provided with a price for their unique selection instantly. This emerging trend was one of the main drivers behind Kambi's decision to develop its Bet Builder product, which launched in Q1 2019, completely in-house. We understood the development needed to deliver Bet Builder – removing the barriers that exist when combining related selections - would leave us better placed for an 'odds on demand' future, benefiting all our operators globally.

As a result of the Bet Builder development work, in August, Kambi became the first B2B supplier to provide the capability for players to combine Bet Builders, in-event combinations and selections from other events into one bet. Essentially, the ability to combine an accumulator in one event with a single or accumulator in another. This 'Multi Builder' product gives players increased flexibility and control over their sports betting experience, while also delivering higher-margin returns for operators. Despite only being rolled-out in mid-August, more than half-a-million Multi Builder bets had been placed across the Kambi network by the end of September. Early internal data also suggests Multi Builder will be an effective tool when looking to attract the recreational player segment.

Events after Q3

Customer launches

Since the close of Q3, Kambi has supported six separate customer launches, with DraftKings and Penn National Gaming rolling out sports betting in a number of states. For DraftKings and Rush Street Interactive, they were the first operators to launch mobile betting in Indiana and were therefore able to take the first legal online bets in the state, creating another landmark moment for Kambi.

Industry recognition

Earlier this month, Kambi was named Digital Supplier of the Year at the Global Gaming Awards in Las Vegas. The judging panel, which is made up of industry executives from the sports betting and casino industry, recognised Kambi for its continued global success, highlighting its performance in the United States. The Global Gaming Awards, which are held in association with industry trade show G2E, are independently adjudicated by KPMG.

Market overview

Regulatory update

The Swedish Gambling Authority continued to impose fines on operators in relation to bets taken for events involving under-18 competitors during Q3. Kambi continues to work closely with its operators to pre-emptively minimise their exposure as licence-holders to regulatory risk.

In France, the legislature ratified a gross gaming revenue-based tax regime applicable to sports betting, albeit not yet at a commercially viable rate, and passed a law for further privatisation in the gambling sector.

Brazil recently held a consultation on sports betting, which closed on 31 August 2019. The government sought industry input and support to establish a regulatory regime. Kambi submitted concise guidance and suggestions based on global best practice prior to the deadline. In addition, a further decree has been issued by the Ministry of Economy which was subject to public comments until 27 September 2019.

In Argentina, despite legalisation earlier this year, no implementing regulations have yet been released in either Buenos Aires Province or Buenos Aires City. Operators are still awaiting confirmation as to the allocation of the seven available licences in Province, and further clarity as to the nature of the licensing regime in City.

In the US, the states of New York, Iowa, and Indiana went live in Q3. Kambi and its operators were up and running in each state on day one. There are now 14 US states with active regulated sports betting, and we anticipate the number to rise during 2020 with decision makers in Connecticut, Illinois, Massachusetts and Ohio, among other states, in a legislative and regulatory process.

Kambi initiatives

Regulatory expertise

Since its inception, Kambi has focused on operating in regulated markets. The vast experience gained in these markets has enabled us to, over time, develop highly flexible technology and effective processes that not only ensure compliance but expedite the entry of customers into newly regulated jurisdictions. Kambi welcomes the opportunity to operate in newly regulated markets, however, with each new regime adds another layer of compliance complexity.

In Sweden, for instance, the regulator has placed restrictions on bets being made on events involving under-18 competitors. In the US, some states ban bets on college teams based in the state, and others prohibit wagers on college games taking place within state borders. This is before we consider a myriad of technical requirements, which differ between jurisdictions. When extrapolated across dozens of regulated markets, the end result is a complex matrix of regulation and operational challenges, placing increased pressure on operators and suppliers.

Kambi's experience and expertise in the compliance and regulatory fields are second to none and provide our customers with a competitive advantage. We believe our approach is one of the reasons why our customers have performed strongly in the market, while operating within regulatory guidelines.

Kambi is also proactive in developing relationships with regulators at an early stage, making ourselves available to lend advice and share best practice as frameworks are being formed. This consultative approach has contributed to the early mover success enjoyed by our operators and has built a high level of trust between Kambi and regulators.

Financial review

Revenue

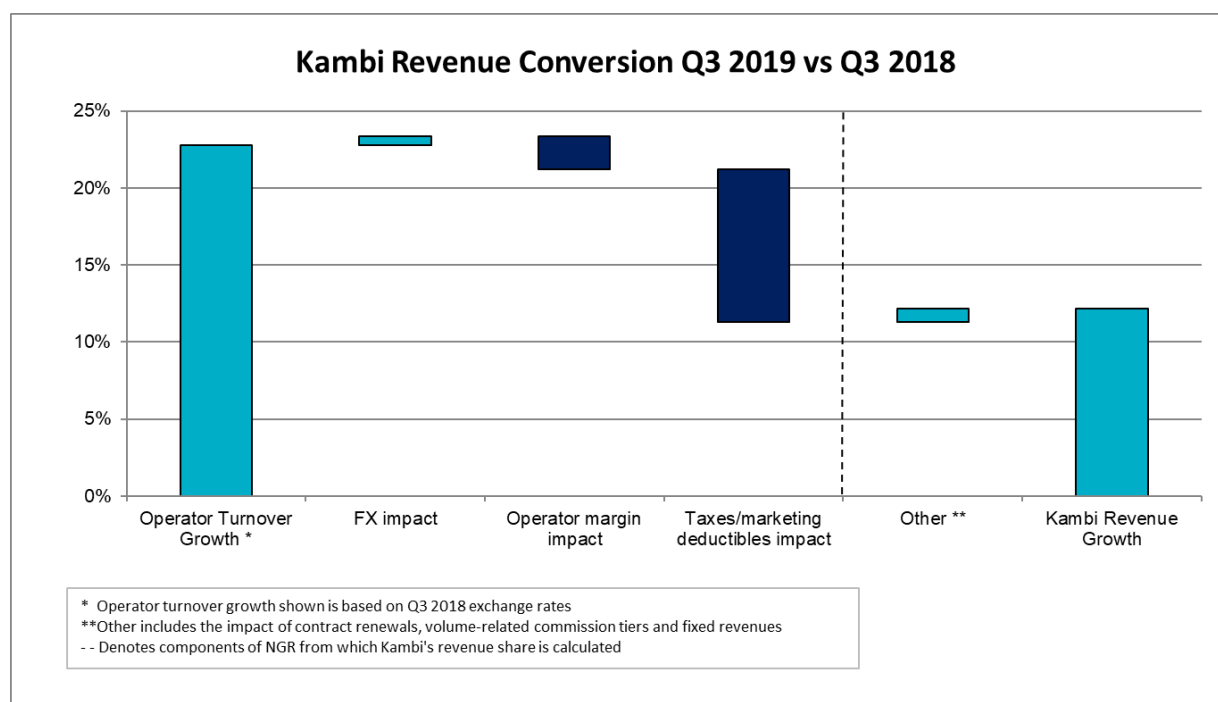
Revenue represents fees received for sports betting services rendered to Kambi's operators. In the third quarter of 2019, revenue was €23.0 (20.5) million. Revenue derived from locally regulated markets in Q3 was 73% (53%). Revenue for the three first quarters was €65.6 (54.5) million.

The operator turnover growth in Q3 2019 was 23% and the operator trading margin was 8.5% (8.6%). The operator trading margin for the first three quarters of 2019 was 8.2% (8.1%).

Kambi charges its operators a fee based on a number of variables including fixed fees, the number of live events offered and commission based on a revenue share of operators' Gross Gaming Revenue less deductible costs, such as free bets and tax (i.e. Net Gaming Revenue, NGR, as shown in the graph below). The impact from tax and marketing deductibles has increased due to a higher level of revenue derived from regulated markets, including Sweden and the US, in particular Pennsylvania, resulting in a greater impact from gaming tax. Other shows a small increase in Q3 due to a greater impact on revenues from live events and fixed revenues, in line with the growth of our customer portfolio.

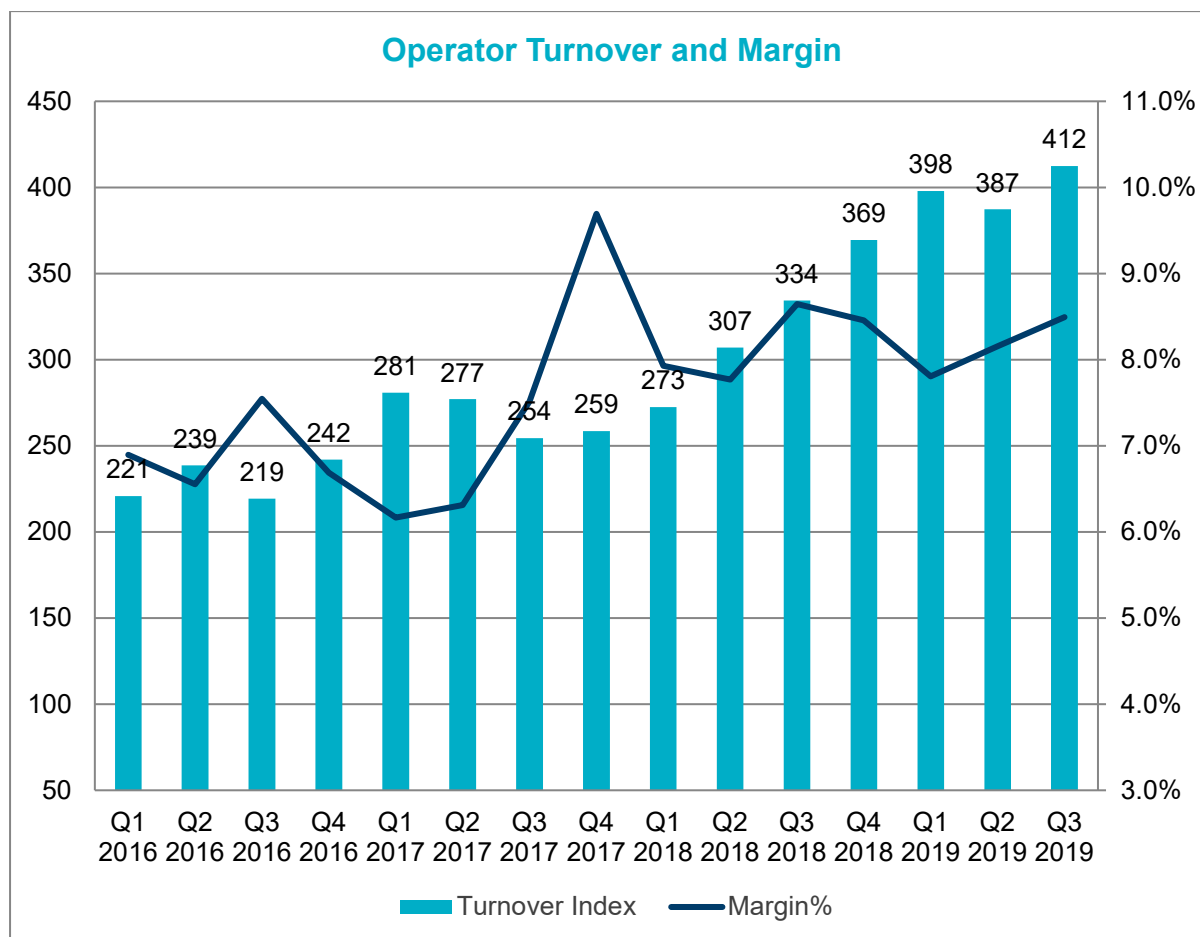
The net effect of the above factors was a €2.5 million increase in quarterly revenue year-on-year.

The graph below demonstrates how the growth in operator turnover ultimately results in Kambi's revenue growth:



Operator trading analysis

In the interest of commercial sensitivity and instead of disclosing actual turnover figures, Kambi presents its customers' sports betting turnover as an index called The Kambi Turnover Index, with the first quarter of 2014 indexed at 100. The graph below shows the index since Q1 2016 and also illustrates Kambi's operators' quarterly trading margin.



Operator turnover for the third quarter of 2019 was 412, an increase of 23% compared with 334 for the third quarter of 2018, despite the comparative figures including the final 14 fixtures of the 2018 football World Cup. Excluding these matches, which generated 7% of the Q3 2018 operator turnover, underlying operator turnover growth was 33%. The growth was driven by turnover in September, which generated 38% of operator turnover for the quarter, powered by the start of the major American Football leagues and a full month of European football competitions.

Operator trading margin for the quarter was 8.5% (Q3 2018: 8.6%). The operator trading margin can fluctuate from quarter to quarter, mainly due to the outcome of sporting events with the highest betting volumes and value. Kambi currently believes the operator trading margin will average between 6.5 - 8% over time.

Currency effects

Kambi's principal currency is the Euro, which is also the reporting currency, but has both costs and revenues in certain other currencies, such as SEK, GBP and USD. The FX impact on the reported value of GBP and SEK costs compared with Q3 2018 is a decrease of €0.3 million.

Cost development

Kambi's cost development is driven by our continued commitment to building a market-leading Sportsbook. Our scalable business model requires strategic investments to deliver on future growth, which impacts both operating expenses and capitalised costs, in:

- Improving the existing offering for all our operators, including player experience, automation, differentiation and risk management
- Channel expansion, primarily development of the retail product
- Market expansion, including into the US markets
- New customer integrations

Capitalised development costs

In the third quarter of 2019, development expenditure of €3.4 (2.2) million was capitalised, bringing the total to September 2019 to €10.8 (6.7) million. These capitalised development costs are amortised over three years, starting in the year the costs are incurred. The amortisation charge this quarter was €2.5 (2.1) million, and €7.1 (6.2) million for the first three quarters of 2019.

Operating expenses

Operating expenses are a combination of activity-related costs and fixed costs; the main expenses are salaries, office costs, live information feeds, consultant costs and amortisation. Operating expenses for the third quarter of 2019 were €19.6 (16.3) million and €57.0 (45.9) million for the year to September 2019. Total operating expenses are anticipated to increase during Q4 2019 by 3 – 5% compared to Q3 2019, as the business continues to invest in order to capitalise upon new market opportunities.

Operating profit

Operating profit for the third quarter of 2019 was €3.4 (4.2) million, with a margin of 14.9% (20.3%), and €8.6 (8.5) million for the first three quarters of 2019, with a margin of 13.0% (15.7%). The absence of a major summer football tournament, along with our ongoing investments to capitalise on the US opportunity, was the reason for the year-on-year decrease in operating result.

Impact of IFRS 16

From 1 January 2019, IFRS 16 was applied which required a fundamental change in the accounting for leases. At the adoption date, this resulted in an increase in liabilities of €9.3m and a corresponding increase in Property, plant and equipment, depreciated over the remaining life of each lease. Kambi adopted the modified retrospective approach, with no restatement of comparative information required. Liabilities are classified between current and non-current at each reporting date.

Rent expense is instead primarily recognised as depreciation of the asset within other operating expenses; the difference has a minimal impact on profit from operations in Q3 2019. Cash flows relating to lease payments of €0.6m in Q3 2019 and €1.9m for the first three quarters of 2019 are recognised

within cash flows from financing activities, whereas they were previously classified within operating activities.

Profit before tax

Profit before tax for the third quarter of 2019 was €3.3 (4.1) million. Profit before tax for the year to September 2019 was €8.1 (8.2) million.

Taxation

The tax expense comprises corporation tax and withholding tax. The tax expense for the third quarter of 2019 was €1.0 (0.8) million. Taxation for the first three quarters of 2019 was €2.3 (1.7) million.

Profit after tax

Profit after tax for the third quarter of 2019 was €2.3 (3.3) million. Profit after tax for the year to September 2019 was €5.8 (6.5) million.

Financial position and cash flow

The net cash position at 30 September 2019 was €34.2 (30.8) million.

Cash flow from operating and investing activities (excluding working capital) amounted to €2.6 (3.3) million for the third quarter of 2019 and €4.2 (5.8) million for the first three quarters of 2019.

Trade and other receivables at 30 September 2019 were €19.7 (16.3) million. This increase is due to Kambi's revenue increase and includes two months of invoices to most of Kambi's operators.

Personnel

Kambi had 834 (692) employees equivalent to 821 (685) full time employees at 30 September 2019, across offices in Malta (headquarters), Australia, Philippines, Romania, Sweden, the UK, and the United States.

Financial information

The financial information has been presented in accordance with International Financial Reporting Standards as adopted by the European Union. All numbers in this report are unaudited. All numbers in this report are shown in Euro (€) and all the numbers in brackets refer to the equivalent period in the previous year.

Financial calendar

12 February 2020	Q4 2019 report
24 April 2020	Q1 2020 report
13 May 2020	AGM
24 July 2020	Q2 2020 report

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About Kambi

Kambi is a provider of premium sports betting services to licensed B2C gaming operators. Kambi Group plc is listed on First North Growth Market at Nasdaq Stockholm. Our services encompass a broad offering from front-end user interface through to odds compiling, customer intelligence and risk management, built on an in-house developed software platform. Kambi's 20-plus customers include 888 Holdings, ATG, DraftKings, Greenwood Gaming & Entertainment, Kindred Group, LeoVegas, Mohegan Gaming & Entertainment, Penn National Gaming, Rank Group and Rush Street Interactive. Kambi employs more than 800 staff across offices in Malta (headquarters), Australia, Romania, the UK, Philippines, Sweden, Australia and the United States.

Kambi utilises a best of breed security approach and is ISO 27001 and eCOGRA certified. Kambi Group plc is listed on First North Growth Market at Nasdaq Stockholm under the symbol "KAMBI". The Company's Certified Advisor is Redeye AB.

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Legal disclaimer

Kambi does not give any forecasts. Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, the effectiveness of copyright for computer systems, technological developments, fluctuation in exchange rates, interest rates and political risks.

Publication

The information in this report is such that Kambi Group plc is required to disclose under the EU Directive of Market Abuse Regulation and rules for companies listed on the First North Growth Market at Nasdaq Stockholm.

The information in this report was sent for publication on Friday, 25 October 2019 at 07:45 CET by CEO Kristian Nylén.

CONSOLIDATED INCOME STATEMENT
€ '000

	Q3 2019	Q3 2018	Jan - Sep 2019	Jan - Sep 2018	Jan - Dec 2018
Revenue	22,970	20,477	65,574	54,477	76,187
Staff costs	-10,154	-7,533	-27,073	-20,272	-28,205
Amortisation	-2,513	-2,112	-7,091	-6,168	-7,956
Other operating expenses	-6,890	-6,675	-22,856	-19,495	-27,315
Profit from operations	3,413	4,157	8,554	8,542	12,711
Investment income	11	9	30	22	32
Finance costs	-150	-113	-456	-334	-483
Profit before tax	3,274	4,053	8,128	8,230	12,260
Income tax	-991	-762	-2,285	-1,738	-2,442
Profit after tax	2,283	3,291	5,843	6,492	9,818

**CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**
€ '000

	Q3 2019	Q3 2018	Jan - Sep 2019	Jan - Sep 2018	Jan - Dec 2018
Profit after tax for the period	2,283	3,291	5,843	6,492	9,818
Other comprehensive income:					
Currency translation adjustments taken to equity	-45	107	-794	-398	-277
Actuarial loss on employee defined benefit scheme	-	-	-	-	-57
Comprehensive income for the period	2,238	3,398	5,049	6,094	9,484

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ '000

	30 Sep 2019	30 Sep 2018	31 Dec 2018
ASSETS			
Non-current assets			
Intangible assets	17,059	12,002	13,353
Investment in associate	494	569	494
Property, plant and equipment	11,632	3,798	3,918
Deferred tax assets	3,612	1,499	3,599
	32,797	17,868	21,364
Current assets			
Trade and other receivables	19,683	16,250	18,329
Cash and cash equivalents	41,474	38,226	38,350
	61,157	54,476	56,679
Total assets	93,954	72,344	78,043
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	90	90	90
Share premium	55,377	53,755	53,810
Other reserves	4,000	2,267	3,496
Currency translation reserve	-2,618	-1,945	-1,824
Retained earnings	8,041	-1,527	2,198
Total equity	64,890	52,640	57,770
Non-current liabilities			
Convertible bond	7,286	7,475	7,251
Lease liabilities	5,631	-	-
Other liabilities	156	64	134
Deferred tax liabilities	93	218	96
	13,166	7,757	7,481
Current liabilities			
Trade and other payables	11,033	10,491	9,930
Lease liabilities	2,301	-	-
Tax liabilities	2,564	1,456	2,862
	15,898	11,947	12,792
Total liabilities	29,064	19,704	20,273
Total equity and liabilities	93,954	72,344	78,043

CONSOLIDATED STATEMENT OF CASH FLOWS

€ '000

	Q3 2019	Q3 2018	Jan - Sep 2019	Jan - Sep 2018	Jan - Dec 2018
OPERATING ACTIVITIES					
Profit from operations	3,413	4,157	8,554	8,542	12,711
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	1,153	329	3,320	1,342	1,835
Amortisation of intangible assets	2,513	2,112	7,091	6,168	7,956
Share of loss/(profit) from associate	-	-	-	-	75
Share-based payment	252	-22	504	132	578
Operating cash flows before movements in working capital	7,331	6,576	19,469	16,184	23,155
(Increase)/decrease in trade and other receivables	-1,853	-1,375	-1,354	-1,664	-3,743
(Decrease)/increase in trade and other payables	290	807	1,130	269	-292
(Decrease)/increase in other liabilities	9	-	22	-	73
Cash flows from operating activities	5,777	6,008	19,267	14,789	19,193
Income taxes paid net of tax refunded	-194	-692	-2,077	-1,666	-2,279
Interest income received	11	9	30	12	32
Net cash generated from operating activities	5,594	5,325	17,220	13,135	16,946
INVESTING ACTIVITIES					
Purchases of property, plant and equipment	-1,113	-373	-2,455	-1,424	-1,875
Development and acquisition costs of intangible assets	-3,422	-2,243	-10,798	-6,739	-9,872
Acquired assets - investment in associate	-	-	-	-569	-569
Net cash used in investing activities	-4,535	-2,616	-13,253	-8,732	-12,316
FINANCING ACTIVITIES					
Proceeds from issue of new shares	556	95	1,567	95	150
Payment of lease liabilities	-618	-	-1,913	-	-
Interest paid	-21	-25	-299	-293	-363
Net cash generated/(used in) financing activities	-83	70	-645	-198	-213
Net increase in cash and cash equivalents	976	2,779	3,322	4,205	4,417
Cash and cash equivalents at beginning of period	40,354	35,385	38,350	34,303	34,303
Effect of foreign exchange differences	144	62	-198	-282	-370
Cash and cash equivalents at end of period	41,474	38,226	41,474	38,226	38,350

**CONSOLIDATED STATEMENT OF CHANGES
 IN EQUITY**

€ '000

	Q3 2019	Q3 2018	Jan - Sep 2019	Jan - Sep 2018	Jan - Dec 2018
Opening balance at beginning of period	61,844	49,169	57,770	46,319	46,319
Comprehensive income					
Profit for the period	2,283	3,291	5,843	6,492	9,818
<i>Other comprehensive income:</i>					
Translation adjustment	-45	107	-794	-398	-277
Actuarial loss on employee defined benefits	-	-	-	-	-57
	2,238	3,398	5,049	6,094	9,484
Transactions with owners					
Share options - value of employee services	252	-22	504	132	578
Other	556	95	1,567	95	420
Tax on share options	-	-	-	-	969
	808	73	2,071	227	1,967
Closing balance at end of period	64,890	52,640	64,890	52,640	57,770

KEY RATIOS

This table is for information only and does not form part of the condensed financial statements

	Q3 2019	Q3 2018	Jan - Sep 2019	Jan - Sep 2018	Jan - Dec 2018
Operator turnover ¹ as index of Q1 2014	412	334	n/a	n/a	n/a
Operating (EBIT) margin, %	14.9%	20.3%	13.0%	15.7%	16.7%
EBITDA ² (€m)	7.1	6.6	19.0	16.1	22.5
EBITDA margin ³ , %	30.8%	32.2%	28.9%	29.5%	29.5%
Equity/assets ratio ⁴ , %	69.1%	72.8%	69.1%	72.8%	74.0%
Employees at period end	834	692	602	692	695
Earnings per share (€)	0.075	0.109	0.193	0.216	0.326
Fully diluted earnings per share (€)	0.074	0.107	0.189	0.211	0.318
Number of shares at period end	30,321,197	30,102,697	30,321,197	30,102,697	30,180,197
Fully diluted number of shares at period end	30,983,374	30,684,098	30,983,374	30,684,098	30,875,820
Average number of shares	30,297,512	30,102,697	30,258,829	30,058,947	30,097,697
Average number of fully diluted shares	30,965,369	30,699,184	30,929,597	30,774,415	30,870,276

¹Operator turnover is defined as total stakes placed with operators by end users

²Q3 2019 Includes impact of IFRS 16. On a like-for-like basis, EBITDA for Q3 2019 would be €6.6m (Jan-Sep €17.5m)

³Q3 2019 Includes impact of IFRS 16. On a like-for-like basis, EBITDA margin for Q3 2019 would be 28.6% (Jan - Sep 26.6%)

⁴Q3 2019 Includes impact of IFRS 16. On a like-for-like basis, Equity/assets ratio at 30 September 2019 would be 75%